

	INDIANA DEPARTMENT OF CHILD SERVICES TITLE IV-D POLICY MANUAL	
	Chapter 12: Enforcement	Effective Date: 09/17/19
	Section 2.2: Social Security Benefits Withholding	Version: 1.0 Revision Date: 9/13/19

BACKGROUND

N/A

DEFINITIONS

1. **“Social Security Disability Insurance”** (SSDI) is a benefit of the Title II program paid to individuals who can no longer work because of a medical condition that is expected to last at least one (1) year, or may result in death. SSDI is funded by and based upon the worker’s income tax contributions to the Social Security Trust Fund.
2. **“Social Security Retirement”** (SSR) is a benefit paid to eligible, retired workers as early as age 62 and is funded primarily by employment taxes.
3. **“Supplemental Security Income”** (SSI) is a benefit, under the Title XVI program, that awarded to individuals with low income and limited resources who are 65 or older, blind, or disabled. SSI benefits are also available to disabled children whose income and resources fall within the eligibility requirements. SSI is a form of public assistance, funded by general tax revenues, intended to protect the recipient from poverty.¹
4. **“State Verification and Exchange System”** (SVES) is an automated system administered by the Social Security Administration that contains information on Title II beneficiaries (retirement, survivors, disability, and health insurance), Title XVI recipients (supplemental security income), and prisoner data from federal, state, and local correctional facilities.² SVES information is received from the Federal Case Registry (FCR) and is shared with the statewide child support system and the Federal Child Support Portal; this information is used by states to issue income withholding orders and check the status of participants’ Social Security claims.³
5. The **“Court Order Garnishment System”** (COGS) is a garnishment system that allows the Social Security Administration to respond to income withholding orders received from Title IV-D agencies.⁴

¹ OCSE-DCL-13-06

² OCSE-DCL-05-35

³ OCSE-DCL-06-39

⁴ OCSE-DCL-06-39

POLICY

The Social Security Act allows the Title IV-D agency to withhold an obligor's federal employment-based benefits, such as SSDI and SSR, for the collection of a child support obligation.⁵

SSI benefits, awarded as part of the federal welfare (Title XVI) program, are exempt from garnishment by law and regulation.⁶ A disabled obligor may receive concurrent SSI/SSDI or SSI/SSR benefits because he/she qualifies for:

1. SSI benefits based on his/her income and assets; and
2. SSDI or SSR benefits because of employment credits.⁷

If an obligor is receiving SSI, SSDI, or SSR benefits, the Title IV-D Prosecutor may review his/her case to determine whether it is eligible for a modification.⁸ Also, the Title IV-D Prosecutor may close a case if the Title IV-D Prosecutor determines the obligor's sole income is from SSI benefits or a combination of SSI and SSDI or SSR benefits.⁹

Currently, if the Social Security Administration (SSA) receives an electronic income withholding order (e-IWO) from the Title IV-D agency on a case in which the obligor receives concurrent SSI and SSDI or SSI and SSR benefits, the SSA will garnish only the SSDI or SSR benefits.

REFERENCES

- [CSB-AT-411](#): State Verification Exchange System (SVES) Match
- [42 U.S.C. § 659](#): Consent by United States to income withholding, garnishment, and similar proceedings for enforcement of child support and alimony obligations
- [5 C.F.R. § 581.104](#): Moneys which are not subject to garnishment.
- [45 C.F.R. § 303.11](#): Case closure criteria.
- [45 C.F.R. § 307.11](#): Functional requirements for computerized support enforcement systems in operation by October 1, 2000.
- [OCSE-DCL-05-35](#): State Verification and Exchange System (SVES) Garnishment Match
- [OCSE-DCL-06-39](#): SSA's Court Order Garnishment System
- [OCSE-DCL-13-06](#): Garnishment of Supplemental Security Income Benefits
- [OCSE-IM-02-11](#): Sending Income-Withholding Orders to the Social Security Administration (SSA)
- [OCSE-IM-06-03](#): Social Security Administration "Court Order Garnishment System"
- [OCSE-PIQ-18-02](#): Concurrent SSI and SSDI or Concurrent SSI and SSR Benefits
- OCSE [Income Withholding and Medical Support for Social Security Beneficiaries – Answers to States' Questions](#)
- [SSA Program Operations Manual System: How Garnishment Withholding Is Calculated](#)

⁵ 42 U.S.C. § 659(a)

⁶ 5 C.F.R. § 581.104(j); 45 C.F.R. § 307.11(c)(3)(i); OCSE-PIQ-18-02

⁷ OCSE-PIQ-18-02

⁸ CSB-AT-411

⁹ 45 C.F.R. § 303.11(b)(9)(i); 45 C.F.R. § 303.11(b)(9)(ii)

PROCEDURE

1. Income Withholding

The Title IV-D Prosecutor may receive information that the obligor has applied for or receives SSDI or SSR benefits from SVES through the statewide child support system or through an external locate request from the Federal Parent Locator Service (FPLS).¹⁰ When there is a pending claim type of SSDI or SSR, SSA will automatically be added as the obligor's employer on the statewide child support system and an e-IWO will automatically be sent to the local SSA office.

The Title IV-D Prosecutor may also receive information from a case participant that the obligor is receiving SSDI or SSR benefits. Upon entering SSA as obligor's employer in the statewide child support system, an e-IWO will automatically be sent to the local SSA office.

After the e-IWO is automatically sent to SSA, the Title IV-D Prosecutor may send the obligor a Notice of Income Withholding (NOW). (SSA will also send the obligor its own notice that his/her Social Security benefits payments will be attached.¹¹)

After SSA receives the e-IWO, the order will be entered into the COGS. SSA will immediately withhold and remit child support payments in response to the IWO if benefits are currently being paid.¹² If the obligor's benefits claim is pending and there are no current payments, the IWO will remain in COGS until SSA makes a decision about the obligor's claim. If the obligor's claim is later approved and he/she begins receiving benefits, SSA will automatically begin remitting payments to the Indiana State Central Collection Unit (INSCCU) via electronic funds transfer (EFT).¹³

The IWO issued to SSA contains the applicable withholding limits set by the Consumer Credit Protection Act (CCPA) or by the state where the obligor/beneficiary resides.¹⁴ The CCPA limits the income withholding amounts to:

- a. 50%, if the obligor is supporting a spouse and/or child other than the spouse and/or child named in the order;
- b. 60%, if the obligor is not supporting another spouse and/or child; and
- c. 55% or 65% respectively, if the IWO includes an arrears greater than 12 weeks (at least three (3) months of past-due child support).¹⁵

The statewide child support system will not automatically generate a FIDM IWO if the obligor receives SSI or concurrent SSI/SSDI benefits. If any SSI or concurrent SSI/SSDI or SSI/SSR benefits are incorrectly garnished from the obligor's financial account, CSB is required to return those benefits to the obligor within five (5) business days.¹⁶

¹⁰ CSB-AT-411; OCSE: Income Withholding and Medical Support for Social Security Beneficiaries

¹¹ OCSE-IM-02-11

¹² OCSE-IM-06-03

¹³ OCSE-DCL-06-39

¹⁴ OCSE-IM-06-03; SSA Program Operations Manual System: How Garnishment Withholding is Calculated

¹⁵ SSA Program Operations Manual System: How Garnishment Withholding is Calculated

¹⁶ 45 C.F.R. § 307.11(c)(3)(ii); OCSE-DCL-13-06; OCSE-PIQ-18-02

2. Lump Sum Payments

In addition to the obligor's monthly SSDI or SSR benefits payments, SSA may notify the Child Support Bureau's (CSB) Employer Maintenance Unit (EMU) that it is holding a lump sum payment payable to the obligor totaling more than \$500.00. A separate lump sum IWO should not be sent to SSA, because SSA will withhold the lump sum payment based on the initial IWO. If SSA has an IWO on file for the obligor, SSA will notify EMU by phone or email of the pending lump sum payment and verify the withholding amounts and/or arrearage. EMU then emails notice of the pending SSA lump sum payment to both the Title IV-D Prosecutor that issued the IWO and CSB's Central Enforcement Unit (CEU).

SSA determines the lump sum amount it will send to satisfy the IWO. After SSA verifies the arrearage amount with EMU, it will send the lump sum payment to INSCCU via EFT. SSA typically sends the lump sum payment within one (1) to two (2) weeks after receiving EMU's response. The lump sum payment will be processed as a regular income withholding payment.

3. SSA Lump Sum Due Process

When CEU is notified by EMU of the pending SSA lump sum payment, it will place a 25 day hold on the obligor's MPI in the statewide child support system. During the 25 day hold period, a hold will be placed on all of the obligor's incoming child support payments. The Title IV-D Prosecutor may also research and update the arrears balance, if applicable, during the hold period. EMU will send the obligor notice of the SSA lump sum payment and his/her right to appeal the withholding of the SSA lump sum payment to satisfy a child support obligation. (The SSA lump sum NOW is separate from the NOW that is sent when the initial IWO is generated.) The obligor has 20 days from the date of the NOW to request an appeal. If the obligor sends a written request for an administrative hearing to CEU within the 20 day appeal timeframe, CEU will document the obligor's appeal request in the statewide child support system. After the 25 day hold ends, payments from other sources will be processed. However, the statewide child support system will continue to hold incoming payments from SSA until the appeal is resolved. If the obligor does not request an appeal within the designated timeframe, the hold on his/her MPI will end and the SSA lump sum payment will be processed.

See Chapter 12: Enforcement, Section 6: Administrative Hearings for information on the process for contesting income withholding through administrative hearing.

FORMS AND TOOLS

1. [Social Security Administration \(SSA\) FAQs](#) Smart Sheet
2. [State Verification and Exchange System Report](#)
3. [State Verification and Exchange System \(SVES\) Title II Benefits](#)
4. [State Verification and Exchange System \(SVES\) Title II Pending Claims](#)
5. [State Verification and Exchange System \(SVES\) Title XVI SSI Information](#)
6. [ISETS Income Withholding Complete Guide](#)

FREQUENTLY ASKED QUESTIONS

1. Q. Can the Title IV-D Prosecutor manually add SSA as the obligor's employer on the statewide child support system if it receives information that the obligor receives SSDI benefits?
 - A. There may be circumstances when the Title IV-D Prosecutor may manually add SSA as the obligor's employer on the statewide child support system if a case participant provides documentation that the obligor receives SSDI benefits. Documentation may include a copy of the obligor's SSDI benefits approval letter or a letter received by the custodial party with notice of a SSDI derivative benefit for the child(ren) in the case.
2. Q. Where should a Termination of Income Withholding Order (Termination e-IWO) be sent for SSA benefits?
 - A. After the Termination e-IWO is generated in the statewide child support system, it will be sent electronically to the SSA. The paper Termination IWO that will automatically print should not be mailed. The e-IWO to SSA should not be terminated unless:
 - a. There is no current support and/or arrearage owed; or
 - b. Full payments are being received regularly from another income source.
3. Q. Should a Termination e-IWO be sent to SSA if the custodial party opts out of Title IV-D services?
 - A. No, a termination e-IWO should not be sent to SSA if payments are posting, even if the custodial party opts out of Title IV-D services. The SSA IWO should remain in effect unless there is a court order to terminate the e-IWO.
4. Q. What happens if SSA notifies EMU of a lump sum payment on a case that is closed to Title IV-D services (NIVD), and the previously issued e-IWO was not terminated?
 - A. If the case is NIVD and SSA notifies EMU of a lump sum payment, EMU provides SSA the arrears balance on the NIVD case for the lump sum withholding per the e-IWO, as well as continues withholding any recurring payments.
5. Q. Does the Title IV-D Prosecutor need to send a Lump Sum e-IWO to SSA to collect a lump sum payment?
 - A. No, when appropriate, SSA will send a lump sum payment in response to the initial e-IWO.
6. Q. Does amending an e-IWO to SSA follow the same process as amending a regular e-IWO (i.e., an e-IWO sent to an employer)?
 - A. Yes. The e-IWO will be updated with the amended child support and/or arrearage amounts in the statewide child support system. The e-IWO will be generated in the statewide child support system and will be sent electronically to the SSA.
7. Q. If an obligor's Social Security disability or retirement benefits are discontinued but later resume, will an e-IWO be automatically issued?

- A. An e-IWO will only be automatically issued if it is the initial e-IWO sent to SSA. If SSA already has an e-IWO on file for the case, it does not require a new e-IWO and payments will resume when the Social Security benefits resume.
- 8. Q. If a case is coded as an interstate (UIFSA) case, will the enforcing state issue an IWO, even if it is not the ordering state?
 - A. If the case's interstate indicator on the statewide child support system is RESP or NA, the enforcing state will issue the IWO to SSA regardless of where the obligor applied for Social Security benefits. If multiple states issue IWOs to SSA for the same case, SSA will reject and send notice to the states that issued the subsequent IWOs.
- 9. Q. What if the e-IWO is rejected by the SSA?
 - A. The Title IV-D Prosecutor should check the "EIWO" case event note for information on why the e-IWO was rejected. The Title IV-D Prosecutor may contact EMU for assistance in resolving any problems that may arise. If the e-IWO was rejected because the obligor does not receive SSDI or SSR benefits, the Title IV-D Prosecutor should attempt to locate another source of income for the obligor.

For additional related FAQs, refer to the [Social Security Administration \(SSA\) FAQs Smart Sheet](#) and the SSA FAQs section in the [ISETS Income Withholding Complete Guide](#) on the CSR.

RELATED INFORMATION

- 1. Chapter 12: Enforcement, Section 2.1: Income Withholding Orders
- 2. Chapter 12: Enforcement, Section 6: Administrative Hearings
- 3. Chapter 17: Case Closure, Section 19: Non-Custodial Parent Sole Source of Income is from Supplemental Security Income (SSI) or Combination of SSI and Social Security Disability Insurance (SSDI) (CSID)
- 4. [OCSE: Garnishing Federal Benefits for Child Support](#)
- 5. [Social Security Administration: Benefits for Children with Disabilities](#)
- 6. [Social Security Administration: You May Be Able to Get Supplemental Security Income \(SSI\)](#)
- 7. [Social Security Administration: Benefits Planner](#)